



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
FILLMORE FIELD OFFICE

35 East 500 North  
Fillmore, Utah 84631



In Reply Refer to:  
3809 (UTW02000)  
UTU 87618

July 14, 2010

CERTIFIED MAIL 7009 2820 0002 1629 3258  
RETURN RECEIPT REQUESTED

DECISION

Andre Zeitoun  
110 Greene St. Suite 1101  
New York City, NY 10012

43 CFR 3809 - Surface Management

Plan of Operations Approved-Conditions of Approval Required-Determination of Required  
Financial Guarantee Amount

The Plan of Operations for the Dragon Mine is hereby approved, subject to conditions of approval needed to implement the proposed action of the Applied Minerals Inc. (Formerly Atlas Mining Company) Halloysite Mine Environmental Assessment and prevent unnecessary or undue degradation. Applied Minerals Inc. (Applied) must conduct operations as described in the Plan of Operations and in accordance with the following conditions of approval:

Conditions of Approval:

1. Water bars will be utilized in road improvements to allow runoff from the roads and prevent rilling or other erosion of the road surface.
2. Applied must comply with the Utah Division of Air Quality standards at the mine site and control excessive dust and wind erosion.
3. All hazardous materials used or produced must be reported to the Fillmore Field Office. They must be removed and disposed in an appropriately permitted disposal facility. Solid waste must be removed and properly disposed.
4. The action shall be conducted in a manner that does not cause a "take" (i.e. harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect) of any wildlife. Any "take" or wildlife problems are to be reported to the Bureau of Land Management (BLM) biologist. All wildlife must be appreciated and given their space to carry out their biological/ecological activities.
5. The proposed action is to avoid/minimize any undue or significant impacts to the habitat that will degrade or reduce the function and availability of food, cover, water and space. If habitat is degraded by activities beyond that anticipated, the BLM biologist is to be informed so that possible mitigation measures can be developed to rehabilitate the site.
6. All vehicles are limited to the purpose and time required to implement the job. All vehicles are to use a common route to haul materials and equipment to and from the site.

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**DIV. OF OIL, GAS & MINING**



No extraneous overland travel is to occur.

7. Existing roads and trails would be used for travel to the maximum extent feasible unless otherwise authorized.
8. Generated trash and debris should be removed from public land and discarded at an authorized facility.
9. The permittee will not dispose of any waste oil or petroleum products on public lands. The permittee will properly contain and remove all waste oil to an authorized waste oil disposal facility. If any petroleum products are spilled, the permittee must immediately contain the spill, remove and dispose of the substance spilled and all contaminated soil in an authorized disposal site.
10. The proposed project would be subject to valid prior existing rights-of-way (ROW). ROW holders should be contacted and coordinated with, if the proposed project affects any existing ROWs.
11. BLM may require an exclusion fence to be placed around the project area for the safety of the public and livestock if deemed necessary by the authorized officer.
12. Upon reclamation there will need to be a temporary fence to protect the area during re-vegetation.
13. The permittee will control any noxious weeds that may occur in the active mine area or the reclaimed portions.
14. Equipment will be cleaned prior to entering the proposed project area to minimize the introduction of noxious/invasive weeds in other areas.
15. For reclamation, reseeding of the area will be done with a seed mixture recommended by BLM.
16. The permittee shall immediately report to the Authorized Officer any cultural and/or paleontological resource (historic or prehistoric artifacts or structures) discovered on public land. All operations in the immediate area of such a discovery will be suspended until written authorization to proceed is issued by the Authorized Officer. It is the responsibility of the permittee to ensure there is no removal or destruction of historic and prehistoric remains on public lands by them or their employees or contractors.

#### Financial Guarantee

Based on a reclamation cost estimate, the requirements of the Utah State Division of Oil, Gas, and Mining, and the above conditions of approval, the financial guarantee amount is hereby set at \$140,000.00 for reclamation of the Dragon Mine. You must provide a financial guarantee in this amount using one or more of the acceptable financial guarantee instruments listed under 43 CFR 3809.555. The financial guarantee must be provided to the BLM Utah State Office, Solid Minerals Adjudication, PO Box 45155, Salt Lake City, Utah 84145-0155. That office will issue you a decision as to the acceptability of your financial guarantee. You must not begin activities under the approved Plan of Operations until you receive a notification that your financial guarantee has been accepted.

Approval of a Plan of Operations by BLM does not constitute a determination regarding the validity or ownership of any un-patented mining claim involved in the mining operation. Applied is responsible for obtaining any use rights or local, state or federal permits, licenses or reviews that may be required for the operation.



Appeal of the Decision Determining the Required Financial Guarantee Amount - If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may request that the Utah BLM State Director review this decision. If you request a State Director review, the request must be received in the Utah BLM State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive or have been notified of this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director. Standards for obtaining a stay are given below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

If the State Director does not make a decision concerning your request for review of this decision within 21 days of BLM's receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You may contact the Utah BLM State Office to determine when BLM receives the request for State Director Review. You have 30 days from the end of the 21 day period in which to file your Notice of Appeal with this office at 35 East 500 North, Fillmore, Utah 84631 which we will forward to IBLA.

If you wish to bypass a State Director review, this decision may be appealed directly to the IBLA in accordance with the regulations contained in 43 CFR 3809.801(a)(1) and the enclosed Form 1842-1. Your notice of appeal must be filed in the Fillmore Field Office at, 35 East 500 North, Fillmore, Utah 84631 within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

#### Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

If you have any questions, please contact Jerry Mansfield, Fillmore Field Office Geologist, at (435) 743-3125.

Sincerely,

A handwritten signature in dark ink, reading "Randy Beckstrand". The signature is written in a cursive style with a large, stylized "R" and "B".

Randy Beckstrand  
Acting Field Manager

Enclosure: Form 1842-1

cc:

Wayne Western  
UDOGM  
1594 W North Temple Ste 1210  
Salt Lake City, UT 84114

Opie Abeyta (UT-923)  
Utah State Office/ BLM  
PO Box 45155  
Salt Lake City, UT 84145-0155